

ADDENDUM
for a
PUBLIC FACILITY
Idaho Community Development
Block Grant
By
POTLATCH, IDAHO



for
SEWER SYSTEM IMPROVEMENTS

Dave Brown, Mayor

March 9, 2009

walter m. steed
& associates
PROJECT ADMINISTRATION

1345 Ridgeview Drive
Moscow, Idaho 83843
(208) 883-0123

March 6, 2009

Donald A. Dietrich, Director
Idaho Department of Commerce
700 West State Street
Boise, ID 83720

Dear Mr. Dietrich:

The City of Potlatch, Idaho respectfully submits this addendum to our application for a \$500,000 Idaho Community Development Block Grant. The City's sewer collection system was installed in 1909 and, while having been maintained, has far exceeded its useful life. Due to inflow and infiltration, rainfall events cause the system to experience 200 to 300 percent increases in flow. A full replacement of all collection lines has been recommended in order to eliminate this problem, which affects the efficiency of the lagoon treatment system. In addition to recent violations reported in March of 2007 for BOD removal infractions, the City had received a violation letter from the Environmental Protection Agency on January 23, 2007 regarding an October 5, 2006 Compliance Inspection. A second Notice of Violation was received on January 8, 2009.

Today, the City of Potlatch consists of 791 persons who in August 2007, by an 83% positive vote, taxed themselves to pay for a \$4,900,000 sewer revenue bond; \$3,123,392 of which will be used as match for this CDBG application to leverage a \$1,631,000 USDA-RD grant and \$4,500 in City cash. Because of the bond, sewer rates will be over \$80.00 per month per household.

While Phase I of the project is currently being constructed, it only covered approximately half the town's collection system. This project will consist of the replacement of an additional two (2) miles of 8" sewer mains, and over 50 manholes. Work will also be performed to upgrade the sewer treatment system.

Having a very leaky sewer collection system sends too much ground water to the sewer lagoons, which impairs wastewater treatment. Discharging into the Palouse River requires monitoring of the effluent and, if the discharge is not adequately treated, violations result. This is a very much-needed project and we thank you for your consideration.

Yours truly,

Dave Brown, Mayor
City of Potlatch

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IV. ICDBG Application Information Form

Applicant: City of Potlatch

Chief Elected Official: Dave Brown, Mayor

Address: PO Box 525, Potlatch ID 83855

Phone: (208) 875-0708

Application Prepared By: Walter M. Steed & Associates

Phone: (208) 883-0123

Address: 1345 Ridgeview Drive, Moscow, Idaho 83843

Architect/Engineer/Planner: Chris Mansfield, P.E., Taylor Engineering, Inc. Phone: (509) 328-3371

Address: West 106 Mission, Spokane WA 99201

NATIONAL OBJECTIVE (MARK ONE)

☒ LMI Area ☐ LMI Clientele

☐ LMI Jobs ☐ Slum & Blight

☐ Imminent Threat

PROJECT TYPE (MARK ONE)

☒ Public Facility/ Housing ☐ Community Center

☐ Economic Development ☐ Senior Center

☐ Imminent Threat ☐ Other

PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Clients/Jobs)

TOTAL # TO BENEFIT: 791

TOTAL # LMI TO BENEFIT: 404

% LMI TO BENEFIT: 51.09%

% MINORITY POPULATION: 14.9%

PROJECT DESCRIPTION: Replacement of over two (2) miles of 8" sewer mains over 50 manholes. Additionally, 300 LF of force main will be replaced, a lift station renovated and treatment plant improved.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMENTATION IN APPENDIX ***
ICDBG	\$500,000				
Local Cash	4,500			11-08	3
Local Loan*	3,123,392			11-08	3
Local In-Kind**					
USDA-RD Grant	1,631,000			11-08	3
EDA Grant					
State Grant					
Foundation Grant					
Private Investment					
Other (identify)					
TOTAL PROJECT FINANCING	\$5,258,892				

* Identify Loan Source(s) USDA-RD Date Bond or Necessary and Ordinary Passed 8/7/07

**Describe In-Kind match by type (i.e. materials, labor, waived fees, land value) and amount.

***Identify which appendix corresponding documentation is in. Documentation should be a letter from the appropriate source.

X. Idaho Community Development Block Grant Budget Form (Use only line items on pages V-7 & V-8)

Applicant or Grantee: CITY OF POTLATCH

Project Name: SEWER SYSTEM CONSTRUCTION

LINE ITEMS	ICDBG Cash	City Cash	City In-Kind	USDA/ RD Grant	State* DEQ Grant	Local* Bond RD	Private Cash	Private In- Kind	Total
Administrative**	\$ 48,750	\$ 2,500							\$51,250
Land, Structures, Rights of Way									
Engineering						\$978,549			978,549
Construction	451,250			\$1,631,000		2,066,093			4,148,343
Legal & Audit		2,000				3,750			5,750
Interest						75,000			75,000
TOTAL COSTS**	\$500,000	\$4,500		\$1,631,000		\$3,123,392			\$5,258,892

*Identify funding source

**Administrative expenses and project planning design costs, when totaled, shall not exceed 10% of the total ICDBG amount.

V. Economic Advisory Council Page: Summarize the project need, how the need will be addressed, total project cost, the local ability to finance the project, the local effort and commitment, and the local and regional economic impact.

Construction of the sewer main replacement portion of this project will be advertised in March 2009 and bids opened on April 2, 2009. Contracting for that work will await the Advisory Council and Governor's approval of this ICDBG Application. Once that is received, a contract with the successful low bidder will be signed and work will commence in late May 2009.

Critical health and safety concerns are the paramount reasons for funding this application. The City's sewer collection system was installed in 1909 and, while having been maintained, is currently in disrepair and has exceeded its useful life. During rainfall events the system is experiencing 200 to 300 percent increases in flow. A full replacement has been recommended in order to eliminate excessive inflow and infiltration, and consequently improve the treatment efficiency of the lagoon system. In addition to recent violations reported in March of 2007 for BOD removal infractions, the City had received a violation letter from the Environmental Protection Agency on January 23, 2007 regarding an October 5, 2006 Compliance Inspection. A second Notice of Violation was received on January 8, 2009.

Thomas J. Moore, P.E., Regional Engineering Manager for the Department of Environmental Quality in Lewiston said in his October 12, 2007, letter, "After seeing the video inspections obtained for the Facility Plan, it is apparent that the City sewer system is severely compromised and promptly replacing these sewer lines is in order." He goes on to say, "The DEQ Lewiston Region Office considers this project to be an excellent opportunity to reduce possible impacts to the Palouse River. We recommend that Commerce help the City complete their improvement plan by providing CDBG funding for this project."

The City of Potlatch consists of 791 persons who have voted to tax themselves to pay for a \$4,900,000 sewer revenue bond, which will leverage \$1,631,000 in grant funds from USDA-Rural Development. This bond issue will raise the monthly residential sewer fee to almost \$70.00 including O & M and a reserve fund amount for future system improvements. Rates would be even higher without CDBG funds providing some relief to the citizens.

In November 2007 the City applied for and was awarded a CDBG to help fund Phase I of a project to replace some sanitary sewer mains in the City. That project is under construction. It is now time to build Phase II; the replacement of the remaining two (2) miles of the sanitary sewer mains and to improve the operation of the sewer lagoon treatment system.

Local economic impact will be evident by having a viable sewer system, which will allow for growth and thus insure the community's future. The impact of a successful Block Grant application will be to protect health and safety and to boost the economy of the community.

XI. Detailed Cost Analysis

1. Have preliminary plans and specs been submitted to regulatory agencies for review?

☒ Yes ☐ No

If yes, list date submitted: June 2007

If no, list expected date to be submitted: _____

2. Has final design (for bidding) begun? ☒ Yes ☐ No

If yes, % complete: 100% (At Agencies for review to bid. See Appendix A)

If no, what is expected start date: N/A

3. Will project include bid alternatives to meet project budget if necessary?

☒ Yes ☐ No

4. Are Davis Bacon wage rates applicable to the project? ☒ Yes ☐ No

If yes, are they included in the project costs? ☒ Yes ☐ No

5. Have known environmental measures been included in project costs? (ex: dust mitigation, archaeological survey, storm water drainage, wetland mitigation etc.)

☒ Yes ☐ No

6. What will expected construction contingency be at final design? 5%

7. List the last date the owner and design professional discussed project design and details.

Date: February 9, 2009

8. Design Professional Cost Estimate may be found in Appendix B.

XII. Project Schedule

Project Activity	Date (to be) Completed	Documentation in Application Appendix
Grant Administrator Procured	March 2006	5
Design Professional	May 2006	5
Other Funding Secured	October 2007	3
Permits Identified & Secured	N/A	
Subrecipient Agreement Drafted	N/A	
Construction Documents Complete	February 2009	
Environmental Review Complete	April 2009	
Complete 504 Requirements	August 2009	
Complete Fair Housing Requirements	August 2009	
Bids Advertised for sewer line work	March 2009	
Start Construction of sewer line work	May 2009	
Certificate of Substantial Completion	November 2009	
Complete design of treatment system work	January 2010	
Bids Advertised for treatment system work	February 2010	
Start Construction of treatment system	April 2010	
Certificate of Substantial Completion	October 2010	
Second Public Hearing	August 2010	
Closeout	September 2010	

- **Current Design Professional Cost Estimate**

Taylor Engineering has developed Davis-Bacon considered cost estimates for the project. Since the Application of November 2008, the cost estimates were reviewed in mid-February and the numbers refined and the contingency reduced. A copy of the engineer's estimate may be found in Appendix B.

- **Written Evidence of Community's Ability to Secure Local and Other Match**

In his letter of February 26, 2009, Jeff Beeman, Area Director of USDA-Rural Development stated, "We are currently processing an application for a RD loan of \$3,123,392 and a grant of \$1,631,000. We have determined the project to be a priority and we intend to fund it this fiscal year. The District is in dire need of this project to meet EPA requirements for the system's NPDES permit." A copy of this letter may be found in Appendix C.

- **Documentation of Clear Title and Value of Any Purchased Property**

No property has been purchased for this project.

- **Pro Forma or Underwriting Assessment by the Lending Agency on how Rates were Determined**

In his letter of February 26, 2009, Jeff Beeman, Area Director of USDA-Rural Development stated, “Rural Development has evaluated the proposed rate structure. The proposed rate covers all projected expenses, a short-lived asset replacement fund and the debt service requirements.” A copy of this letter may be found in Appendix C. Also, the USDA-RD rate study and underwriting documentation may be found in Appendix D.

- **Resolutions**

Fair Housing

On February 23, 2004, the City of Potlatch adopted the required Fair Housing Resolution which prohibited discrimination in the sale, rental, leasing, financing or providing of brokerage services related to land or housing in the city. The resolution was last published in the local newspaper on February 19, 2009 and a copy of the Resolution and publication can be found in Appendix E.

Excessive Force Policy

On February 23, 2004, the City of Potlatch adopted the required Excessive Force Policy. A copy can be found in Appendix E.

Grievance Procedure

On February 23, 2004, the City of Potlatch adopted a Grievance Procedure to meet the requirements of the ADA. It was last published in the local newspaper on February 19, 2009. A copy of can be found in Appendix E.

Policy Regarding Non-discrimination on the Basis of Disability

On February 23, 2004, the City of Potlatch adopted the Policy Regarding Non-discrimination on the Basis of Disability. It was last published in the local newspaper on February 19, 2009 and a copy of the Policy and publication can be found in Appendix E.

Anti-Displacement and Relocation Plan

On February 23, 2004, the City of Potlatch adopted the required Residential Anti-Displacement and Relocation Assistance Plan. A copy can be found in Appendix E.

Policy for the Provision of Effective Communication

On February 28, 2008, The City of Potlatch adopted a Policy for the Provision of Effective Communication. A copy is included in Appendix E.

- **Changes to Project Scope from Original Application**

There have been no substantial changes in the project scope from the original application, but quantities, costs and schedules have been further refined. By fast tracking the design, working drawings and bid documents for the sewer line replacement portion of this project the City of Potlatch will open bids for this work in early April 2009. Further investigation into work needed on the sewer treatment plant is on going with the probable replacement of sewer lift station pumps and controls, replacement of the force main from the lift station to the lagoons, lining of the lagoons and consideration of the use of land application for effluent.

- **Answer to Question in Cover Letter – Has the phase II project scope of work changed since approval of the project environmental review dated, May 16, 2008? If yes, identify the changes to the scope of work.**

See answer to the previous item. When defined, proposed treatment system work will be presented to the City Council for approval and at that time any necessary additional environmental review will be accomplished.

Note: Enclosed in Appendix F is the project's Administrative Plan.

APPENDIX

- A. PROJECT BID DOCUMENTS
- B. ENGINEER'S UPDATED COST ESTIMATE
- C. USDA-RD COMMITMENT LETTER
- D. USDA-RD RATE STUDY
- E. RESOLUTIONS AND PUBLICATIONS
- F. ADMINISTRATIVE PLAN

APPENDIX A

PROJECT BID DOCUMENTS

APPENDIX B

ENGINEER'S UPDATED COST ESTIMATE

APPENDIX C

USDA-RD COMMITMENT LETTER

APPENDIX D

USDA-RD RATE STUDY

APPENDIX E

RESOLUTIONS AND PUBLICATIONS

APPENDIX F

ADMINISTRATIVE PLAN

CITY OF POTLATCH

ICDBG 09-II-xx-PF

March 6, 2009

REPRESENTATIVES

CITY :	Dave Brown, Mayor City of Potlatch PO Box 525 Potlatch, ID 83535	(208) 875-0708
	Debbie Perry, City Clerk City of Potlatch PO Box 525 Potlatch, ID 83535	(208) 875-0708
Administrator :	Walter M. Steed Walter M. Steed & Associates 1345 Ridgeview Drive Moscow, ID 83843	(208) 883-0123
Engineer:	Chris Mansfield, P.E., Taylor Engineers West 106 Mission Spokane, WA 99201	(509) 328-3371

ADMINISTRATIVE PLAN

A. Environmental Review:

- | | |
|--------------|---|
| Admn. | 1. Establish an Environmental Review Record File. |
| Admn. | 2. Complete an Environmental Assessment. |
| Admn. | 3. Make Environmental finding. |
| City | 4. If appropriate, publish the Finding and Request for Funds (ROF). |
| City | 5. Submit ROF and Assessment to Department for review and approval. |

B. Section 504:

- | | |
|-------------|--|
| City | 1. Adoption and Publication of 504 Policy on Non-Discrimination. |
| City | 2. Establish 504 Citizen Review Committee. |
| City | 3. Perform 504 Self Evaluation and Write Transition Plan. |

C. Fair Housing:

- | | |
|------------------------|---|
| City/
Admn. | 1. Adopt Fair Housing Resolution and create Fair Housing Plan consisting of:

An analysis of impediments (AI) to fair housing choice;

Actions to overcome the effects of identified impediments;

Maintenance of records to support the grantees' certification to affirmatively further fair housing. |
|------------------------|---|

D. Construction Administration:

- | | |
|--------------------------------------|---|
| Admn. | 1. Establish Labor Standards Compliance file and assign responsibility. |
| Admn. | 2. Request current Davis-Bacon wage rates before advertising for bids. |
| Admn. | 3. Submit bid documents to Department for review and approval. |
| Admn. | 4. Update wage rates 10 days prior to bid opening. |
| Admn. | 5. Check contractor eligibility with Department before awarding contract (Federal Debarred List). |
| Admn. | 6. Document subcontractor eligibility and Davis-Bacon certifications. |
| Admn. | 7. Submit draft contract documents to Department for review and approval. |
| Admn./
Engineer/
City | 8. Hold pre-construction conference with contractor especially to discuss labor standards requirements and other grant requirements. Submit signed minutes to the Department. |
| Admn. | 9. Collect, review and verify all payrolls. |

- | | |
|------------------------|--|
| Admn. | 10. Conduct worker interviews and verify against payrolls. (Complete at a minimum two interviews per contractor for every thirty days on a project.) |
| Admn. | 11. Report all payroll discrepancies to the Department. |
| Admn./
City | 12. Advertise and conduct mid-construction public meeting. |

E. Civil Rights Compliance:

- | | |
|--------------|---|
| City | 1. Establish a file containing the grantee's Affirmative Action Plan, Community Profile, grantee work force composition or other documents and statistics which demonstrate the grantee's efforts to benefit the local minority population as well as other nondiscriminatory policies and practices. |
| City | 2. File signed Section 3 Clause and other contractor Certifications. |
| City | 3. Comply with grantee Section 3 Plan and maintain documentation. |
| Admn. | 4. Submit MBE/WBE Solicitation Summaries for all solicitations for services, supplies or construction bids.. |
| City | 5. Implement, at a minimum, the required Fair Housing activities. |
| City | 6. Implement, at a minimum, Section 504 requirements; adopt and publish Section 504 Policy on Nondiscrimination; adopt grievance procedures if required; complete self evaluation; and complete transition plan if needed. |

F. Accounting Requirements:

- | | |
|------------------------|---|
| City | 1. Maintain a General Ledger for the ICDBG grant funds. It must show expenditures by budget categories and also by other funding sources. |
| City | 2. Maintain cash receipts and cash disbursements journals. |
| Admn. | 3. Maintain source documentation and file documents by Department of Commerce Request for Funds form. |
| City/
Admn. | 4. Accounting and Allowable Costs must be in accordance with OMB Circulars A-102 and A-87 plus Treasury Circular 1075. |

G. Audits:

- | | |
|-------------|---|
| City | 1. Audit services shall be secured in according to OMB Circular A-102 Attachment O. |
| City | 2. Audit shall be conducted according to OMB Circular A-128 and the Single Audit Act of 1984. |
| City | 3. Audit shall be submitted to the Legislative Auditor's Office for review and approval within 30 days of the audit's completion. |
| City | 4. ICDBG audit costs shall be allocated by the percentage of ICDBG expenditures in each fiscal year audit. |

H. Reporting:

- | | |
|--------------|---|
| Admn. | 1. Submit progress reports to the Department with each drawdown, or as required by the Department. |
| Admn. | 2. Report in writing to the Department any major compliance, performance problems, management problems, all construction commencement and completion, loan closings, defaults, etc. |
| Admn. | 3. Submit all contract amendments, change orders, and plan amendments to the Department prior to executing them. |